

WEBMD HEALTH CORP.

FORM 8-K (Current report filing)

Filed 02/29/12 for the Period Ending 02/23/12

Address	111 EIGHTH AVE. NEW YORK, NY 10011
Telephone	212-624-3700
CIK	0001326583
Symbol	WBMD
SIC Code	7389 - Business Services, Not Elsewhere Classified
Industry	Computer Services
Sector	Technology
Fiscal Year	12/31

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

February 23, 2012

Date of Report (Date of earliest event reported)

WEBMD HEALTH CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-35337
(Commission
File Number)

20-2783228
(I.R.S. Employer
Identification No.)

111 Eighth Avenue
New York, New York 10011
(Address of principal executive offices, including zip code)

(212) 624-3700
(Registrant's telephone number, including area code)

(Former name or address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On February 23, 2012, each of the eight non-employee members of our Board of Directors (Mark J. Adler, M.D., Neil F. Dimick, Jerome C. Keller, James V. Manning, Abdool Rahim Moossa, M.D., Herman Sarkowsky, Joseph E. Smith and Stanley S. Trotman, Jr.) voluntarily forfeited a grant of 13,200 non-qualified options to purchase WebMD Common Stock made on January 1, 2011, 3,300 of which were vested and 9,900 of which were unvested. These options had an exercise price of \$51.06 per share. A copy of the form of agreement between each of the non-employee directors and WebMD Health Corp. (“WebMD”) entered into in connection with the forfeitures is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Also on February 23, 2012, each of the executive officers of WebMD and Kevin Cameron, an employee who is a member of our Board of Directors, voluntarily forfeited the grants of non-qualified options to purchase WebMD Common Stock described below:

<u>Name and Title</u>	<u>Option Grant</u>	<u>Vested Options</u>	<u>Unvested Options</u>	<u>Exercise</u>
	<u>Date</u>			<u>Price</u>
Kevin Cameron <i>Special Advisor to the Chairman; Member of the Board of Directors</i>	06/28/10	16,250	48,750	\$46.81
Gregory Mason <i>Executive Vice President, Consumer Services</i>	06/21/11	—	175,000	\$45.82
William Pence <i>Executive Vice President & Chief Technology Officer</i>	11/01/07 06/28/10	150,000 18,750	— 56,250	\$45.23 \$46.81
Anthony Vuolo <i>Interim Chief Executive Officer; Chief Financial Officer</i>	06/28/10	25,000	75,000	\$46.81
Douglas W. Wamsley <i>Executive Vice President, General Counsel & Secretary</i>	06/28/10	18,750	56,250	\$46.81
Martin J. Wygod <i>Chairman of the Board</i>	06/28/10	18,750	56,250	\$46.81
Steven Zatz, M.D. <i>Executive Vice President, Professional Services</i>	06/28/10	18,750	56,250	\$46.81

A copy of the form of agreement between each of the executive officers and WebMD entered into in connection with the forfeitures is attached hereto as Exhibit 10.2 and is incorporated herein by reference. In addition to the above, 65,000 options were forfeited by another executive of WebMD who is not a director or executive officer.

None of the directors or executives received any consideration in exchange for the forfeiture of stock options described above. Upon the forfeiture of those stock options, the 960,600 shares underlying those options became available for grants under the WebMD Health Corp. Amended and Restated 2005 Long-Term Incentive Plan (the "Plan"). The forfeitures by the directors and executives of those stock options were intended to allow WebMD to use the shares that became available under the Plan to attract new employees and to motivate and retain current key employees.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed herewith:

<i>Exhibit Number</i>	<i>Description</i>
10.1	Form of Agreement to Forfeit Non-Qualified Options, dated as of February 23, 2012, between the Registrant and Each of its Non-Employee Directors
10.2	Form of Agreement to Forfeit Non-Qualified Options, dated as of February 23, 2012, between the Registrant and Certain Executives

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WEBMD HEALTH CORP.

Dated: February 28, 2012

By: /s/ Lewis H. Leicher
Lewis H. Leicher
Senior Vice President

EXHIBIT INDEX

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AGREEMENT TO FORFEIT
NON-QUALIFIED STOCK OPTIONS

THIS AGREEMENT, dated as of February 23, 2012 (this “ Agreement ”), between (the “ Director ”) and WebMD Health Corp. (the “ Company ”).

WHEREAS, the Company has adopted and sponsors the WebMD Health Corp. Amended and Restated 2005 Long-Term Incentive Plan (the “ Plan ”), under which the Company is permitted to grant equity based incentive compensation to its employees and members of its Board of Directors;

WHEREAS, pursuant to the Plan and the award agreement(s) entered into by and between the Company and the Director under the Plan (the “ Award Agreement(s) ”) on the following grant dates(s), the Company granted the Director the stated number of non-qualified stock options, of which the stated number of options remain outstanding and unexercised as of the date hereof (the “ Outstanding Options ”):

<u>Grant Date</u>	<u>Aggregate Number of Stock Options Granted</u>	<u>Outstanding Options</u>
1/1/11	13,200	13,200

WHEREAS, the Outstanding Options have little or no current value based on the exercise price for such Outstanding Options; and

WHEREAS, the Director wishes to voluntarily forfeit the Outstanding Options for no consideration, and make them available for further awards under the Plan, and the Company wishes to accept such forfeiture.

NOW, THEREFORE, the Director and the Company hereby agree as follows:

1. Outstanding Options. The Outstanding Options are hereby forfeited, and the Director shall have no further rights in the Outstanding Options. The Director and the Company both acknowledge that the Company has not paid or promised to pay to the Director any consideration, whether now or in the future, with respect to the forfeiture of the Outstanding Options.

2. Entire Agreement. This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, including, without limitation, the Award Agreement(s) related thereto.

3. Amendment. Neither this Agreement nor any of the terms hereof may be amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of such amendment, supplement, waiver or modification shall be sought.

4. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of principles of conflicts of laws that may require the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the Director has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first set forth above.

[*Name of Director*]

WEBMD HEALTH CORP.

By: _____

Name:

Title:

AGREEMENT TO FORFEIT
NON-QUALIFIED STOCK OPTIONS

THIS AGREEMENT, dated as of February 23, 2012 (this “ Agreement ”), between (the “ Executive ”) and WebMD Health Corp. (the “ Company ”).

WHEREAS, the Company has adopted and sponsors the WebMD Health Corp. Amended and Restated 2005 Long-Term Incentive Plan (the “ Plan ”), under which the Company is permitted to grant equity based incentive compensation to its employees;

WHEREAS, pursuant to the Plan and the award agreement(s) entered into by and between the Company and the Executive under the Plan (the “ Award Agreement(s) ”) on the following grant dates(s), the Company granted the Executive the stated number of non-qualified stock options, of which the stated number of options remain outstanding and unexercised as of the date hereof (the “ Outstanding Options ”):

<u>Grant Date</u>	<u>Aggregate Number of Stock Options Granted</u>	<u>Outstanding Options</u>
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WHEREAS, the Outstanding Options have little or no current value based on the exercise price for such Outstanding Options; and

WHEREAS, the Executive wishes to voluntarily forfeit the Outstanding Options for no consideration, and make them available for further awards under the Plan, and the Company wishes to accept such forfeiture.

NOW, THEREFORE, the Executive and the Company hereby agree as follows:

1. Outstanding Options . The Outstanding Options are hereby forfeited, and the Executive shall have no further rights in the Outstanding Options. The Executive and the Company both acknowledge that the Company has not paid or promised to pay to the Executive any consideration, whether now or in the future, with respect to the forfeiture of the Outstanding Options.

2. Entire Agreement . This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, including, without limitation, the Award Agreement(s) related thereto.

3. Amendment. Neither this Agreement nor any of the terms hereof may be amended, supplemented, waived or modified except by an instrument in writing signed by the party against which the enforcement of such amendment, supplement, waiver or modification shall be sought.

4. Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party.

5. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware, regardless of principles of conflicts of laws that may require the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, the Executive has executed this Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the date first set forth above.

[*Name of Executive*]

WEBMD HEALTH CORP.

By: _____

Name:

Title: